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RECORDATION NO. 20442 FILED 1825

JAN - 2 1997 - 9 45 AM

January 2, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed is a Memorandum of Loan Agreement, Chattel Mortgage and Security Agreement dated 12/30/96 between the following parties:

Lender: Mark Twain Illinois Bank
One Mark Twain Bank Plaza
Edwardsville, IL 62025

Debtor: Southern Illinois Railcar Company
One Mark Twain Bank Plaza
Edwardsville, IL 62025

The equipment included in this agreement is listed on Exhibit A.

Please record this agreement as a primary document. The filing fee of \$22 is enclosed.

Thank you for your assistance.

Sincerely,

Mary Ann Oster

Mary Ann Oster
Research Consultant

Enclosures

Counterparts - Mary Ann Oster

RECEIVED
SURFACE TRANSPORTATION
BOARD

JAN 2 9 40 AM '97

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20428-0001

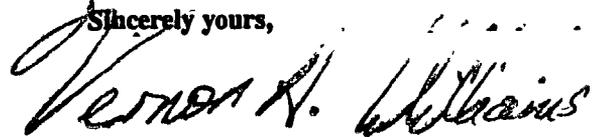
1/2/97

Mary Ann Oster
Research Consultant
Oster Researching Services
12897 Colonial Drive
Mt. Airy, MD., 21771

Dear
Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of
the Interstate Commerce Act, 49 U.S.C. 11303, on 1/2/97 at 9:45AM, and
assigned recordation number(s). 20442.

Sincerely yours,

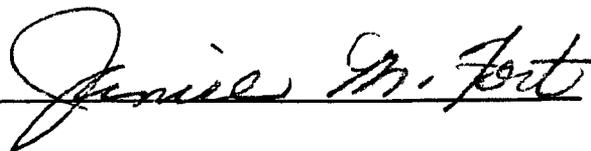


Vernon A. Williams
Secretary

Enclosure(s)

\$ 22.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



RECORDATION NO. 20442 FILED 1025

JAN - 2 1997 - 9 45 AM

MEMORANDUM OF
LOAN AGREEMENT, CHATTEL MORTGAGE
AND SECURITY AGREEMENT

THIS MEMORANDUM OF LOAN AGREEMENT, CHATTEL MORTGAGE AND SECURITY AGREEMENT (this "Memorandum") dated as of December 30, 1996, is made by and between MARK TWAIN ILLINOIS BANK, an Illinois banking corporation, with an office at One Mark Twain Bank Plaza, Edwardsville, Illinois 62025 (the "Bank"), and SOUTHERN ILLINOIS RAILCAR COMPANY, an Illinois corporation, with its chief executive office and principal place of business at One Mark Twain Bank Plaza, Suite 225, Edwardsville, Illinois 62025 (the "Borrower").

Borrower and Bank hereby state the following:

1. Borrower and Bank are parties to that certain Loan Agreement, Chattel Mortgage and Security Agreement dated as of December 30, 1996 (the "Loan Agreement"; capitalized terms used herein and not otherwise defined shall have the meaning given in the Loan Agreement), whereby Bank loaned Borrower certain funds to facilitate the purchase of the covered hopper railcars more specifically identified on Exhibit A attached hereto and made a part hereof (the "Railcars").

2. Pursuant to the terms of the Loan Agreement, Borrower's obligations under the Loan Agreement, the Note and other Loan Documents are evidenced by and payable in accordance with the Note, and receive the benefits of the Loan Agreement.

3. To secure the payment and performance of any and all of Borrower's obligations to Bank, Borrower granted to Bank a continuing, first priority security interest in and to, and chattel mortgage lien on, all of the Borrower's right, title and interest in and to certain collateral (the "Collateral"), to have and to hold all and every part of the Collateral unto the Bank, its successors and assigns, for its and their own use and benefit forever; such Collateral includes but is not limited to:

(a) the Railcars;

(b) all improvements, additions, modifications, accessions, equipment, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired, and all substitutions and replacements of the Railcars described above (the Railcars and the equipment described in this subsection (b) herein being hereinafter sometimes collectively called the "Equipment Collateral");

(c) all proceeds, casualty value payments or proceeds, settlement payments and requisition compensation from the sale, loss or other disposition of the Equipment Collateral;

(d) all rights, claims and causes of action, if any, that the Borrower may have now or in the future against any seller of the Railcars under any applicable purchase agreement or any manufacturer or re-builder of the Equipment Collateral (or any component thereof) or any other party, by contract or otherwise, in respect of any defect in the Equipment Collateral or any part thereof;

(e) all damages from time to time payable to or receivable by Borrower in respect of the Equipment Collateral;

(f) all proceeds (cash and non-cash) thereof; and

(g) all books and records relating to any of the foregoing.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

WITNESS:

Fred L. Parsons

SOUTHERN ILLINOIS RAILCAR COMPANY

By: *Fred L. Parsons* (SEAL)
Fred L. Parsons
President

WITNESS:

Edward J. Lieberman

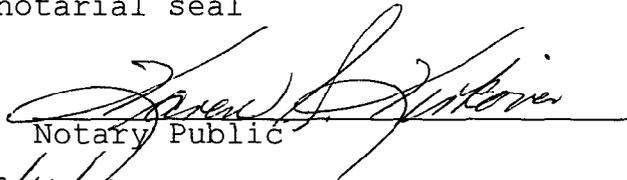
MARK TWAIN ILLINOIS BANK

By: *Dennis M. Terry* (SEAL)
Dennis M. Terry
Vice President

STATE OF ILLINOIS)
) SS:
COUNTY OF Madison)

On this 30th day of December, 1996, before me, a Notary Public of the City and State aforesaid, personally appeared Fred L. Parsons, to me personally known, who being by me duly sworn, says that he is the President of Southern Illinois Railcar Company, an Illinois corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal


Notary Public

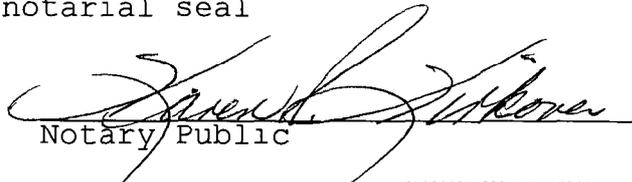
My commission expires: 9/19/98



STATE OF ILLINOIS)
) SS:
COUNTY OF Madison)

On this 30th day of December, 1996, before me, a Notary Public of the City and State aforesaid, personally appeared Dennis M. Terry, to me personally known, who being by me duly sworn, says that he is Vice President of Mark Twain Illinois Bank, an Illinois banking corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal


Notary Public

My commission expires: 9/19/98



Exhibit A

(List of Railcars)

Car Number	Original Car No.	Car Number	Original Car No.	Car Number	Original Car No.
ATSF303480	ATSF303480	ATSF305450	ATSF305450	ATSF311889	ATSF311889
TM 006167	ATSF304119	TM 006188	ATSF305475	ATSF311903	ATSF311903
TM 006178	ATSF304127	TM 006189	ATSF305622	SIRX446009	ATSF311977
TM 006205	ATSF304160	ATSF305686	ATSF305686	SIRX446000	ATSF312032
TM 006168	ATSF304161	TM 006190	ATSF305700	SIRX446001	ATSF312057
SIRX442830	ATSF304166	TM 006191	ATSF305715	SIRX446012	ATSF312062
TM 006170	ATSF304168	TM 006192	ATSF305724	SIRX446002	ATSF312144
TM 006171	ATSF304242	TM 006211	ATSF305755	SIRX446003	ATSF312164
TM 006172	ATSF304249	ATSF305862	ATSF305862	SIRX446004	ATSF312167
TM 006206	ATSF304253	TM 006219	ATSF305942	SIRX446005	ATSF312168
TM 006173	ATSF304282	TM 006193	ATSF305947	SIRX446006	ATSF312185
TM 006174	ATSF304290	TM 006194	ATSF306078	SIRX446007	ATSF312230
TM 006169	ATSF304313	ATSF306086	ATSF306086	SIRX446008	ATSF312235
TM 006207	ATSF304328	TM 006195	ATSF306097	SIRX475060	ATSF312989
TM 006175	ATSF304336	TM 006196	ATSF306100	SIRX475058	ATSF313070
TM 006176	ATSF304340	TM 006197	ATSF306106	SIRX475059	ATSF313131
TM 006223	ATSF304385	TM 006198	ATSF306139	SIRX460286	ATSF313815
TM 006216	ATSF304443	TM 006161	ATSF306215	SIRX460297	ATSF313857
TM 006215	ATSF304458	TM 006199	ATSF306227	SIRX460298	ATSF313892
TM 006221	ATSF304459	TM 006212	ATSF306293	ATSF313966	ATSF313966
TM 006177	ATSF304462	TM 006200	ATSF306294	SIRX460287	ATSF314028
AEX	ATSF304469	TM 006228	ATSF306327	SIRX460303	ATSF314057
ATSF304474	ATSF304474	TM 006201	ATSF306366	SIRX460301	ATSF314076
TM 006208	ATSF304475	ATSF306388	ATSF306388	SIRX460288	ATSF314101
TM 006179	ATSF304499	TM 006202	ATSF306416	SIRX460296	ATSF314178
ATSF304534	ATSF304534	TM 006150	ATSF306437	SIRX460289	ATSF314497
TM 006220	ATSF304641	TM 006217	ATSF306438	SIRX460302	ATSF314547
TM 006180	ATSF304691	ATSF306446	ATSF306446	SIRX460299	ATSF314552
ATSF304851	ATSF304851	TM 006230	ATSF306497	SIRX460290	ATSF314667
ATSF304876	ATSF304876	TM 006229	ATSF306550	SIRX460300	ATSF314717
TM 006214	ATSF304877	ATSF306556	ATSF306556	SIRX460291	ATSF314753
ATSF304903	ATSF304903	ATSF306630	ATSF306630	SIRX460292	ATSF314783
TM 006181	ATSF304938	SIRX450000	ATSF306637	SIRX460293	ATSF314837
SIRX442832	ATSF304959	ATSF306675	ATSF306675	SIRX460294	ATSF314908
SIRX442831	ATSF304978	ATSF306676	ATSF306676	ATSF315040	ATSF315040
TM 006183	ATSF305051	ATSF306717	ATSF306717	SIRX460295	ATSF315096
ATSF305166	ATSF305166	SIRX450003	ATSF306778		
TM 006210	ATSF305179	SIRX450004	ATSF306847		
TM 006184	ATSF305258	ATSF306935	ATSF306935		
TM 006185	ATSF305338	ATSF306949	ATSF306949		
ATSF305357	ATSF305357	SIRX450001	ATSF306964		
ATSF305373	ATSF305373	SIRX450002	ATSF307110		
TM 006186	ATSF305384	SIRX442828	ATSF307773		
ATSF305412	ATSF305412	TM 006203	ATSF311509		
ATSF305420	ATSF305420	TM 006209	ATSF311680		
TM 006187	ATSF305449	ATSF311694	ATSF311694		
		TM 006204	ATSF311770		

Exhibit A

(page 2 Of 2)

Car Number	Original Car No.	Car Number	Original Car No.
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SIRX442829	ATSF301521	SIRX446010	ATSF312245
TM 006225	ATSF302326	SIRX446011	ATSF312260
TM 006155	ATSF302748	SIRX446013	ATSF312276
TM 006147	ATSF302871	TM 006164	ATSF312651
ATSF304026	ATSF304026	TM 006163	ATSF312774
TM 006182	ATSF304136	SIRX460304	ATSF314009
ATSF304191	ATSF304191	SIRX460305	ATSF314487
TM 006226	ATSF304404	SIRX460307	ATSF314520
TM 006145	ATSF304492	SIRX460306	ATSF314798
ATSF304796	ATSF304796	SIRX460308	ATSF315147
TM 006227	ATSF304976		
ATSF304977	ATSF304977		
TM 006157	ATSF305650		
TM 006158	ATSF306024		
SIRX450005	ATSF306831		
ATSF306842	ATSF306842		
ATSF306917	ATSF306917		
ATSF307107	ATSF307107		
TM 006149	ATSF307612		
TM 006162	ATSF307689		
SIRX450006	ATSF307691		
TM 006224	ATSF307708		
ATSF307745	ATSF307745		
TM 006151	ATSF308051		
TM 006231	ATSF308315		
TM 006159	ATSF308441		
ATSF308473	ATSF308473		
TM 006154	ATSF308925		
TM 006160	ATSF309028		
TM 006213	ATSF309245		
TM 006222	ATSF309499		
TM 006165	ATSF309603		
TM 006156	ATSF309654		
ATSF310523	ATSF310523		
TM 006146	ATSF311004		
TM 006232	ATSF311018		
TM 006218	ATSF311121		
TM 006153	ATSF311516		
TM 006152	ATSF311521		
TM 006166	ATSF311620		
TM 006148	ATSF311660		
ATSF311888	ATSF311888		
ATSF311946	ATSF311946		
ATSF311967	ATSF311967		
SIRX446014	ATSF312026		
ATSF312172	ATSF312172		

LW